



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

JAMIE CLOVER ADAMS
DIRECTOR

December 1, 2012

TO ALL MICHIGAN GRAIN DEALERS:

The Farm Produce Insurance Act (FPIA) was established on November 7, 2003 (PA 198 of 2003) to protect farmers in the event of a farm produce dealer's financial failure. On May 30, 2012 the FPIA was amended to create an administrative assessment starting on January 1, 2013. First quarter payments are due by **April 30, 2013**. We will be sending you updated Quarterly Report and Remittance forms and envelopes with the new lock box address, as soon as it is received.

Enclosed are copies of the FPIA brochures and a poster, Grain Producer Administrative Assessment Refund Request form, and a Quarterly Report and Remittance form for the administrative assessment. As of March 1, 2013, you may also obtain additional copies of the updated forms at www.michigan.gov/graindealers.

As of January 1, 2013, licensed grain dealers must:

- ♦ Collect a fifteen thousandths percent (.00015) administrative assessment from the net proceeds of all farm produce sold.
- ♦ Document and maintain records of the administrative assessment paid by the producer.
- ♦ On a quarterly basis (beginning April, 2013) remit all administrative assessments collected.

The enclosed remittance forms illustrate how the administrative assessment should be calculated. The administrative assessment collected by the buyers must be submitted to the Michigan Farm Produce Insurance Program no later than:

- **April 30** *For January, February, and March administrative assessment*
- **July 31** *For April, May, and June administrative assessment*
- **October 31** *For July, August, and September administrative assessment*
- **January 31** *For October, November, and December administrative assessment*

The Farm Produce Insurance Authority will annually review the administrative assessments collected and the producer security program. The Michigan Department of Agriculture and Rural Development will perform all audit and inspection functions. Audits will consist of verification of the calculation, collection, and remittance of the appropriate administrative assessments.

For a copy of PA 198 of 2003, as amended, a list of current licensed grain dealers or forms, please visit www.michigan.gov/graindealers. If you have any questions, please contact me by phone at (517) 241-2865 or by email at haarerj@michigan.gov.

Sincerely,

Jeff Haarer, Manager
Producer Security and Ag Products